



House Human Services Committee

Formal Request for Information – Health Care Access and Medicaid

September 25, 2020

LeadingAge Texas represents the full continuum of mission-driven, not-for-profit aging services providers in Texas. We are committed to assisting our members in providing the highest quality of services possible to the Texans they serve. We appreciate the opportunity to provide recommendations to Chairman Frank and members of the committee on topics including; Health Care Access and Medicaid, Impacts of COVID-19 on Long Term Care Facilities, Interim Charge Four, and Interim Charge Five.

LeadingAge Texas is comprised of more than 350 members, including approximately 200 not-for-profit retirement communities, affordable senior housing, assisted living facilities, continuing care retirement communities, nursing homes, and home and community based services providers.

Health Care Access and Medicaid

Examine innovative approaches and delivery models to reduce health care costs for both patients and taxpayers, including policies that other states have implemented. Consider recommendations to implement such models. Study the impact that "direct care" health care models may have on Medicaid beneficiaries for acute care and mental health services, including potential cost savings and improvement in quality metrics. Examine efforts other states have made seeking to implement direct care models, particularly in Medicaid or in charitable health care delivery.

The rapid growth in Texas' aging population is contributing to a dramatic rise in healthcare costs. According to Kaiser Family Foundation, 62% of nursing home residents in Texas rely on Medicaid. Impactful services provided in senior housing (called "Senior Housing Plus Services") are proven to promote aging in place and prevent emergency room visits, hospitalizations, and relocation to costlier settings like nursing homes. Senior Housing Plus Services integrates housing and healthcare by having a wellness coordinator on-site in the senior housing community to assess residents and then assist them with finding support for healthcare services like preventative care, nutrition, mental health, memory care, and ER/hospital avoidance.¹

Approximately 68% of HUD-assisted Medicare beneficiaries were dually enrolled in Medicare and Medicaid. The analysis below details higher utilization and payments among Medicare beneficiaries dually enrolled in Medicaid (MMEs).²

Health conditions:

- HUD-assisted MMEs had more chronic conditions (55% of HUD-assisted MMEs had 5 or more compared to 43% of unassisted MME), which translated into higher health care utilization and costs than unassisted MMEs in the community.

¹ Available at: <https://www.mass.gov/doc/hebrew-seniorlife-0/download>

² Available at: <https://aspe.hhs.gov/basic-report/picture-housing-and-health-medicare-and-medicaid-use-among-older-adults-hud-assisted-housing#execsum>

Medicare payments and utilization:

- HUD-assisted MME beneficiaries' average Medicare FFS per member per month (PMPM) payment was 16% higher than unassisted MMEs in the community (\$1,222 compared to \$1,054).
- Higher utilization by HUD-assisted MMEs for home health visits (31% higher), ambulatory surgery center visits (45% higher), physician office visits (26%), and emergency department visits (13%) drove the higher payments.

Medicaid payments and utilization:

- HUD-assisted MMEs Medicaid FFS PMPM payment was 32% higher than unassisted MMEs (\$1,180 vs. \$895).
- HUD-assisted MMEs used over 100% more Personal Care services, 80% more "other HCBS", and over 67% more durable medical equipment services covered by Medicaid unassisted MMEs in the community.

Senior housing communities can serve as a platform for the coordination and delivery of health and long-term services and supports, which can help residents better manage their health, maintain independence, and avoid unnecessary and costly use of the emergency room, acute care services, and institutional settings.

"Affordable Senior Housing Plus Services: What's the Value?" released by the LeadingAge Center for Housing Plus Services found:

- the presence of a service coordinator in affordable senior housing was found to decrease the odds of having at least one acute inpatient admission by 18%;
- medication management was associated with a lower average Medicaid monthly payment by 21% compared to properties without this service; and
- health education services were associated with a decrease of 8% in Medicare Part D payments per enrolled month.

LATX Recommendations: Several states have successfully implemented supportive services in affordable senior housing (and other populations considered high utilizers of emergency departments) through demonstration waivers like the 1115 waiver. These programs are designed to create community collaboratives where managed care organizations in the Dual Eligible and Medicaid Managed Care programs partner with community-based providers, including senior housing.

For example, early panels from Vermont's Support and Services at Home Program (providing senior affordable housing residents with care coordination and wellness nursing services) resulted in fewer hospital admissions and Medicare expenditure savings of approximately \$1,227 per person per year.³ Massachusetts' SHIFT Care Challenge includes a Senior Housing Plus Services program aimed at reducing ER visits and inpatient hospitalizations by 20%.⁴

³ Available at: <https://aspe.hhs.gov/basic-report/support-and-services-home-sash-evaluation-evaluation-first-four-years>

⁴ Available at: <https://www.mass.gov/doc/hebrew-seniorlife-0/download>



LeadingAge Texas recommends the state reduce costs by incentivizing managed care organizations to support on-site service coordination, certain health and wellness programs, and preventative services like medication management, well-checks, and home modifications, so residents may avoid costlier health care interventions and institutional care settings. LeadingAge Texas recommends Texas explore supportive housing models for low-income seniors and pursue a pilot project to test an appropriate model in Texas through a demonstration waiver or other means.

Additionally, CMS announced on September 23, 2020 the availability of up to \$165 million in supplemental funding to states currently operating Money Follows the Person (MFP) demonstration programs. Each state is eligible to receive up to \$5 million in supplemental funding for planning and capacity building activities to accelerate long-term care system transformation design and implementation, and to expand HCBS capacity, including Medicaid-housing partnerships. We encourage Texas to explore this opportunity as it pertains to the development of affordable and accessible housing for older adults.